

Message Text

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ACTION EA-09

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P R 270559Z FEB 76
FM AMEMBASSY MANILA
TO USDA/FAS/WASHDC PRIORITY
INFO SECSTATE WASHDC 2501

UNCLAS MANILA 2812

FOR STEPHENS/CEP AND WILLIAMS/COT DIV/FMD
STATE FOR ANGEVINE/F&TD

SUBJ: COTTON CONTRACT PROBLEM

REF: A. FASTO 208 B. TOFAS 221 C. FASTO 118 D. FASTO 104

TOFAS 48.

1. AGATTACHE RECEIVED THE FOLLOWING TELEGRAM FROM DBP TODAY:
QUOTE. TELEX TO TEXTRADE FROM ALLENBERG DATED FEBRUARY 25, 1976
REGARDING SALE S8067 ACCOUNT PACIFIC MILLS QUOTED AS FOLLOWS:
RE S8067 192B WASHINGTON INFORMS US THEY HAVE NO WORD FROM
AGATTACHE. WE HAVE REPEATEDLY INSTRUCTED YOU TO CABLE INSTRUCTIONS
TO WASHINGTON TO INCREASE VALUE OF GSM 12972 BY 69,600.00. ALSO
L/C CCC-10236 MUST BE AMENDED WHEN FINALIZED WITH WASHINGTON TO
EXTEND SHIPPING AND EXPIRATION DATES. PARA. PLEASE REQUEST
CCC TO REGISTER SALE S8067 FOR 192 BALES VALUED \$69,600.00 END QUOTE.

2. ACCORDING TO ALLENBERG, USDA HAS NOT BEEN INFORMED BY
AGATTACHE THAT L/C VALUE NEEDED TO BE INCREASED. IN FACT,
AGATTACHE DID REQUEST CORRECTION OF ERROR IN CCC REGISTRATION
IN WHICH GSM NO. 12972 AND SALE NO. 8067 FOR 192 BALES HAD
ERRONEOUSLY BEEN MATCHED WITH LIRAG AND PAN AMERICAN INSTEAD OF
PACIFIC MILLS AND ALLENBERG (SEE TOFAS 221 AND FASTO 104).
CCC RESPONDED FAVORABLY TO TOFAS 221 BY FASTO 208.

3. THE FIRST PARAGRAPH OF FASTO 208 SEEMED TO BE THE ONLY
CORRECTIVE ACTION NECESSARY. THE PURPOSE OF, OR NEED FOR,
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PARAGRAPH 2 OF FASTO 208, WAS SIMPLY BEYOND OUR COMPREHENSION,

SINCE PARAGRAPH ONE APPEARED TO BE THE REQUESTED APPROVAL.

4. BOTH THIS OFFICE, DBP AND CCC RECOGNIZED AND ACKNOWLEDGED THE REGISTRATION ERROR. THEREFORE, ON THE STRENGTH OF THESE TWO CABLES WE ASKED DBP TO NOTIFY FIRST CHICAGO INTERNATIONAL BANK OF THE APPROVAL OF DBP'S L/C (PACIFIC MILLS) IN FAVOR OF ALLENBERG UNDER GSM NO. 12972 FOR THE INCREASE OF \$69,660. ACCORDING TO DBP AT THAT TIME, THEY HAD ALREADY CABLED ALL THE PERTINENT L/C ADVICE TO THE U.S. BANK WITH THE EXCEPTION OF THE GSM NO.

5. THEN WE FOLLOWED UP BY MAKING 3 TELEPHONE CALLS AND 3 PERSONAL APPEARANCES AT THE DBP BEFORE FINALLY RECEIVING CONFIRMATION THAT THE L/C ADVICE HAD BEEN SENT TO THE U.S. BANK. AFTER THE FIRST TELEPHONE CONVERSATION WE SENT A COPY OF FASTO 208 TO DBP BY MAIL, THEN WE FOLLOWED THAT UP BY HAND CARRYING ANOTHER COPY TO DBP ON THE FIRST OF THE SERIES OF VISITS FOR THE PURPOSE OF PRODDING DBP INTO SENDING THE L/C ADVICE.

6. IF IT IS NOT ALREADY CLEAR THAT TOFAS 221 WAS OUR REQUEST FOR MAKING THE \$69,660 INCREASE UNDER GSM NO. 12972 AVAILABLE TO ALLENBERG BY CORRECTING THE REGISTRATION ERROR, MAY WE NOW REQUEST THAT APPROPRIATE ACTION BE TAKEN TO MAKE THE \$69,660 INCREASE UNDER GSM NO. 12972 AVAILABLE TO ALLENBERG.

7. DBP ADVISED THAT THEY HAVE CABLED THE U.S. BANK TO DETERMINE THE REASON FOR THE REJECTION OF ALLENBERG'S DOCUMENTS AND PAYMENT REQUEST AND WERE INFORMED BY RETURN CABLE THAT THE NECESSARY USDA APPROVAL OF THE L/C INCREASE HAD NOT BEEN RECEIVED. DBP ALSO ADVISED THAT THEY WILL EXTEND TIME PERIOD OF L/C, EVEN IF 60 DAYS HAS EXPIRED.

8. PLEASE NOTIFY BOTH THE BANK AND ALLENBERG OF THE USDA APPROVAL OF THE INCREASE IN L/C VALUE. WE WOULD ALSO APPRECIATE BEING ADVISED OF ACTION TAKEN VIA FASTO.

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